



The Daily

Statistics Canada

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MAJOR RELEASES

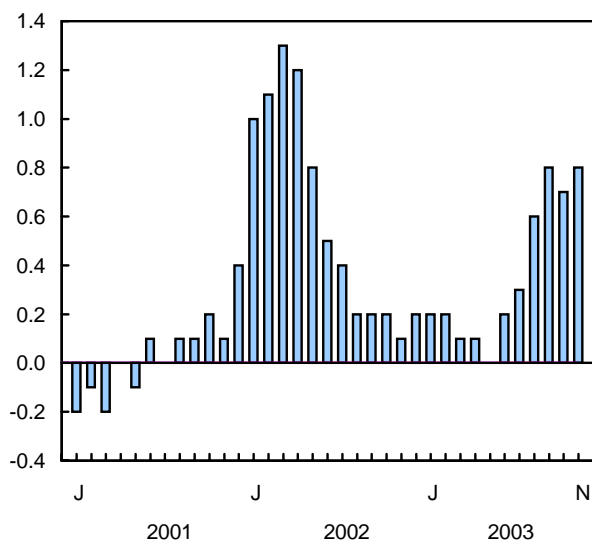
Leading indicators

November 2003

The composite leading index rose 0.8% in November, comparable to its gains in October (+0.7%) and September (+0.8%). These were the best three months of growth since early in 2002. The components related to business spending took the lead in growth. The US leading indicator advanced steadily. Only one of the ten components declined.

Composite index

Smoothed % change



Business spending in Canada posted its largest and most widespread gains in several months. Led by investment goods, new orders rose for the second time in three months, and the 2% advance allowed them to recoup a large part of the ground lost earlier this year.

The ratio of shipments to finished goods inventories rose for the first time in 14 months. With demand rising, manufacturers ended five months of trimming the workweek, while employment turned up. Business services drove the upturn in services employment over the last three months.

The US leading indicator grew steadily at 0.4%, with 9 out of 10 components rising. Manufacturing picked up after widespread gains in final demand, with orders rising for both consumer and investment goods. The average workweek started to recover some of its large losses of recent years. The housing market remained the focus of household spending, although vacancy rates remain high.

In Canada, the housing index retreated slightly from its 30-year high. This was the only one of the 10 components to decline. Furniture and appliance sales spearheaded household spending with a third straight gain of over 1%. Sales of other durable goods posted a sixth straight increase.

Available on CANSIM: table 377-0003.

Definitions, data sources and methods: survey number 1601.

A more detailed analysis of the components is available online. From the *Canadian statistics* page, choose *Economic conditions*, then click on the banner ad for *Canadian economic observer*. From that page, choose *Issues of CEO*, then *Composite Index*. For more information on the economy, consult the November 2003 issue of *Canadian economic observer*, Vol. 16, no. 11 (11-010-XIB, \$19/\$182; 11-010-XPB, \$25/\$243), now available. See *How to order products*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Francine Roy (613-951-3627; ceo@statcan.ca), Current Economic Analysis Group. □

Leading indicators

	June 2003	July 2003	August 2003	September 2003	October 2003	November 2003	Last month of data available % change
Composite leading indicator (1992=100)	181.2	181.8	182.8	184.3	185.5	186.9	0.8
Housing index (1992=100) ¹	130.4	131.5	134.4	138.7	143.5	143.3	-0.1
Business and personal services employment ('000)	2,626	2,626	2,620	2,620	2,627	2,629	0.1
S&P/TSX stock price index (1975=1,000)	6,665	6,806	7,039	7,206	7,389	7,564	2.4
Money supply, M1 (\$ millions, 1992) ²	112,065	114,032	115,996	117,519	117,458	117,489	0.0
U.S. composite leading indicator (1992=100) ³	110.1	110.3	110.7	111.3	111.8	112.2	0.4
Manufacturing							
Average workweek (hours)	39.1	39.0	38.9	38.8	38.7	38.7	0.0
New orders, durables (\$ millions, 1992) ⁴	20,163	20,044	19,927	19,946	19,644	20,044	2.0
Shipments/inventories of finished goods ⁴	1.73	1.71	1.69	1.67	1.67	1.69	0.02 ⁵
Retail trade							
Furniture and appliance sales (\$ millions, 1992) ⁴	1,852	1,862	1,876	1,895	1,919	1,939	1.1
Other durable goods sales (\$ millions, 1992) ⁴	7,663	7,697	7,732	7,753	7,789	7,818	0.4
Unsmoothed composite leading indicator	182.6	184.2	185.5	187.9	187.2	189.7	1.3

¹ Composite index of housing starts (units) and house sales (multiple listing service).

² Deflated by the Consumer Price Index for all items.

³ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.

⁴ The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the second preceding month.

⁵ Difference from previous month.



Film, video and audio-visual distribution

2001/02

Revenues hit another record high for film distributors and video wholesalers in Canada in the fiscal year 2001/02. However, the rate of growth in revenues was slower than in previous years, as sales abroad of home-grown films and videos fell for the first time in a decade.

Revenues for the industry reached an all-time high of \$3.0 billion, up 7.9% from the previous year. In 2000/01, distributors' revenues grew 13.1% over 1999/2000.

American and other foreign films, mostly in the television and theatrical markets, led the way in 2001/02, with 91% of domestic sales, virtually unchanged from 90% in 2000/01.

At the same time, Canadian products lost share in the domestic conventional television market (which excludes pay television). In 2001/02, Canadian content accounted for 14% of revenues in the conventional-TV market, down from 16% in 2000/01.

In addition, exports to foreign countries, on which Canadian firms had relied for much of their sales of Canadian films and videos, declined in 2001/02. This was the first decrease since 1991. Distribution sales of Canadian film and video productions to other countries brought in \$173.9 million, down 2% from 2000/01. (This figure does not include productions distributed directly to foreign clients by producers.)

Combined with revenues from the distribution of non-Canadian films, total exports amounted to \$204.7 million in 2001/02, down from the previous peak of \$222.3 million in 2000/01. A decade ago, only \$30.0 million in sales came from abroad.

Foreign markets continued to account for most of the sales of Canadian products. Almost 62% of the revenues from the distribution of Canadian productions in 2001/02 came from exports, down slightly from 64% in the previous year. In 1991, one-third of Canadian film and video productions came from exports.

Canadian productions earned the balance (48%) of their revenues from the domestic market. However, Canadian productions accounted for just 9% of all distribution revenues from the domestic market, including both Canadian and foreign productions. This was down from 10% in 2000/01 and 13% in 1999/2000.

Nevertheless, sales of Canadian products continued to improve in the pay-television market, even at a lower market share. They increased 19.6% from 2000/01, but this was only one-half the rate of growth recorded for foreign products.

Note to readers

This release presents results from a survey of the 217 film, video and audio-visual distributors and wholesalers in Canada.

What Canadians are able to view at movie theatres and at home on their television screens depends largely on the particular interests and choices of Canadian distributors and video wholesalers.

***Film distributors** are companies engaged primarily in distributing film and video productions to motion picture theatres, television stations and commercial exhibitors. They are the film industry's middlemen, the liaison between producers and the exhibitors. Distributors obtain the rights to market and distribute films and videos.*

***Video wholesalers** are companies primarily engaged in the wholesaling of pre-recorded videocassettes, videodiscs and DVDs to retail outlets, which in turn rent or sell these products to the public.*

***Videos** include videocassettes, videodiscs and DVDs.*

***Home-video market** refers to the rental or sale of videos for playback on household machines.*

Unless otherwise stated, revenues are in current dollars.

Pay-television and video markets leading the way

Large gains in revenues in the pay television and home video markets contributed significantly to the record revenues for distributors in 2001/02. Revenues in the pay-TV market increased 36.1% to \$110.5 million, while revenues in the home video market rose 28.5% to \$213.0 million. In addition, the wholesaling of pre-recorded videocassettes and DVDs brought in 7.8% more in revenues.

Increased revenues in the pay-TV market reflect the growing popularity of pay-TV and the specialty stations among Canadians. For example, the proportion of their viewing time increased from 16% in 1998 to 22% in 2001 and 25% in 2002. This trend is likely to continue as more and more Canadians subscribe to pay-TV and satellite television.

Revenues from pre-recorded videocassettes and DVDs reached \$1.5 billion in 2001/02, their highest level ever. The gain in sales of pre-recorded videos can be attributed to increased average household expenditures on videos and videodiscs.

On average, each family spent \$141 in 2001 on videos, audio tapes and compact discs, up 23.7% from 2000. The increase was the result of spending on videocassettes and DVDs, which accounted for one-third of all such spending in 2001.

According to the Survey of Sound Recording, the sales of audio tapes and compact discs are on the decline. As spending on them dropped off (as a result of factors such as piracy and the sharing of music files on the Internet), spending on videocassettes and DVDs increased, driving expenditures on these products

higher. This trend is not expected to abate anytime soon.

Lower level of profitability, as rate of growth of revenues and expenses slowed

The rate of growth in revenues and expenses slowed for the third year in a row. However, the rate of growth of revenues slowed more than that of expenses, leaving distributors at a lower level of profitability than in the previous year.

Film and video distributors and video wholesalers reported a total of \$2.7 billion in expenses in 2001/02, 9.8% higher than in 2000/01. This compares with a growth rate of 11.3% in the previous year, and a growth rate of more than 29% in 1998/99.

The result was lower profits, the second decline in four years. At \$329.0 million, profits were 5.2% less than in the previous year. In 2001/02, profits represented 11% of total revenues, compared with 12% the year before and 18% in 1997/98.

Film, video and audio-visual distribution and videocassette wholesaling by primary market¹

	1997/98	1998/99	1999/00	2000/01	2001/02
	\$ million				
Revenues:					
Domestic distribution	818.8	879.1	965.6	1,070.9	1,211.7
Movie theatres	276.7	317.9	360.5	390.6	403.1
Pay TV	59.8	56.9	68.7	81.2	110.5
Conventional TV	340.1	359.1	369.3	409.6	465.5
Home video	125.1	129.5	147.6	165.8	213.0
Other (educational institutions, governments, etc.)	17.1	15.7	19.5	23.7	19.6
Foreign distribution	132.1	185.5	187.3	222.3	204.7
Total distribution revenue	950.9	1,064.7	1,152.9	1,293.1	1,416.3
Wholesaling					
videocassettes	812.2	1,110.9	1,252.1	1,399.4	1,508.3
Other revenue	57.7	75.3	82.5	120.6	112.0
Total Revenue	1,820.8	2,250.9	2,487.5	2,813.1	3,036.6
Expenses:					
Licensing costs (rights, royalties and other fees)	539.6	694.4	791.3	806.7	857.0
Videocassette wholesaling costs	508.8	586.5	640.3	660.7	776.8
Salaries and benefits	83.5	112.4	135.5	144.6	172.0
Other costs	354.0	528.2	648.8	853.9	901.8
Total expenses	1,485.9	1,921.5	2,216.0	2,465.9	2,707.6
Profit (% of total revenue)	18.4	14.6	10.9	12.3	10.8

¹ Figures may not add to total as a result of rounding.

The decreases in the rate of growth of advertisement and promotion costs more than offset increases in

licensing fees and royalties, and in videocassette wholesaling costs.

While licensing and royalty payments for foreign products showed a 6.6% gain over the previous year, this was a modest increase compared to the 28.5% growth rate recorded in 1997/98. For Canadian products, there was a 2.7% gain in such payments. The amount paid for Canadian products rose to \$82.8 million in 2001/02.

Of the \$857.0 million in total licensing fees and royalties paid out, less than 10% went to Canadian products, a little less than in the previous year.

Canadian products improve sales, but not market share

Foreign productions accounted for 91% of the \$1.2 billion in total sales in the domestic market for films and videos, about the same share as in 2000/01. Canadian products continued to garner more sales, but did not show a noticeable gain in market share.

In the pay-television market, Canadian products continued to advance. However, their share of that market dropped to 21%, as foreign products acquired 79% of the total pay-TV market of \$110.5 million. In the previous year, Canadian products held 24% of market share.

In 2001/02, sales of Canadian grown pay-television releases reached \$22.8 million, up 19.6% from the previous year. Nevertheless, this was just half the rate of growth recorded for foreign products.

Sales of Canadian products at the conventional-TV market rose 1.6%, but the market share declined for the second time in three years. After rising to 25% in 1999/2000, their share fell back to 16% in 2000/01. In 2001/02, these sales accounted for only 14% of \$465.5 million. This downward trend reflects a shift of both viewership and Canadian content from Canadian conventional-TV stations to Canadian pay-TV and specialty stations.

In the theatrical market (commercial cinemas and drive-ins), foreign movies accounted for 98% of distributors' revenue, totalling \$403.1 million in 2001/02. Canadian movies accounted for 2%, even though they brought in 12.4% more in sales than they did in the previous year. In 2000/01, Canadian movies represented less than 2%.

In the pre-recorded-video market, Canadian products held a 2% share. The domestic wholesale sales of pre-recorded videocassettes and DVDs stood at \$1.4 billion in 2001/02.

In the non-theatrical market, consisting primarily of work for educational institutions, governments and private companies, revenue was down 17.3%

from 2000/01. This was the first decline after two consecutive yearly increases.

Canadian and foreign-content share of revenue in the domestic market¹

	2000/01			2001/02		
	Cana- dian content	foreign content	total	Cana- dian content	foreign content	Total
	%					
Domestic Distribution	9.5	90.5	100.0	8.9	91.1	100.0
Movie theatres	1.9	98.1	100.0	2.1	97.9	100.0
Pay TV	23.5	76.5	100.0	20.7	79.3	100.0
Conventional TV	15.7	84.3	100.0	14.1	85.9	100.0
Home video	2.9	97.1	100.0	2.1	97.9	100.0
Other (educational institutions, governments, etc.)	24.7	75.3	100.0	32.7	67.3	100.0
Domestic wholesaling of videocassettes	1.7	98.3	100.0	2.3	97.7	100.0

¹ Figures may not add to total due to rounding.

Available on CANSIM: tables 501-0001 to 501-0004.

Definitions, data sources and methods: survey number 2414.

Selected details from the Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey in table format (87F0010XIE, free) are now available online. Data from the survey are also available by province and territory. Researchers can request special tabulations on a cost-recovery basis.

For general information, contact Client Services (1-800-307-3382; cult.tourstats@statcan.ca). To order special or standard tables or to enquire about the concepts, methods or data quality of this release, contact Fidel Ifedi (613-951-1569; fax: 613-951-1333; fidel.ifedi@statcan.ca), Culture, Tourism and the Centre for Education Statistics. ■

OTHER RELEASES

Employer pension plans (trusteed pension funds)

Second quarter 2003

Trusteed pension funds reported in the second quarter their first positive cash flow in more than a year.

These funds, which are managed by legal trustees who invest the funds in financial and capital markets, had estimated revenues of \$14.9 billion and expenditures of \$11.3 billion in the second quarter.

The funds had a net income of nearly \$3.7 billion, the first positive balance since the first quarter of 2002. It has also been this long since the funds made a profit rather than a loss from the sale of stocks.

The value of the funds' assets increased from \$518.2 billion to \$553.6 billion in the second quarter, a 6.8% gain. About 38% of fund assets were invested in stocks and were subject to stock market price variations.

Typically, the value of fund assets increase or decrease as stock prices rise or fall, and this was the case in the second quarter. The Standard & Poor's/Toronto Stock Exchange Composite Index (S&P/TSX) gained 10% in value over that period.

The increase in fund assets was also due to the increased value of their bond holdings, but to a lesser extent than the increase in the value of their stocks.

Bonds represented 37% of the funds' total value. Since the fourth quarter of 1999, trusteed pension fund managers have been slowly shifting their holdings from an emphasis on stocks to a more even split between stocks and bonds.

About 5.5 million Canadian workers are members of employer pension plans, and of these, about 4 million are members of trusteed plans.

The remaining 1.5 million workers' retirement benefits are covered by different funding arrangements of the federal and provincial governments (primarily for their public servants), and by insurance company contracts or Government of Canada annuities, usually purchased by private sector employers for employees approaching retirement.

Available on CANSIM: tables 280-0002 to 280-0004.

Definitions, data sources and methods: survey number 2607.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-888-297-7355; 613-951-7355; fax: 613 951-3012; income@statcan.ca), Income Statistics Division. ■

Annual Survey of Surveying and Mapping Services

2002

The surveying and mapping industry is composed primarily of two different activities, namely geophysical surveying, which provides services to the mineral, oil and gas industry, and land surveying. This industry generated \$1.9 billion in operating revenues in 2002, up 3.8% over 2001.

Land surveying revenues rose, as housing starts saw a significant surge in 2002, triggering increased demand for land surveying services. Land surveying share of operating revenues jumped to \$738 million in 2002, from \$678 million in 2001.

The year 2002 was characterized by a slowdown in oil and gas exploration, development and production activities. This impacted geophysical surveying and mapping services revenues which dropped marginally to \$1,015 million in 2002, from a high of \$1,028 million in 2001.

Alberta continues to lead all provinces in total surveying and mapping services, accounting for 64% of operating revenues earned in 2002, or \$1.2 billion, down from 68% in 2001, which translates into a \$50 million drop in total annual revenues.

Geophysical surveying activities are the bread and butter of Alberta-based firms, generating 83% of all sales of geophysical surveying services in Canada. This includes work performed in Alberta proper, and work conducted by Alberta-based companies in other provinces, offshore, and in other countries.

The industry's before-tax operating profit margin was 9.8% in 2002, a slight decrease from 11.1% in 2001.

Because the top firms in the industry provide geophysical services, which slowed in 2002, expenses remained relatively high as revenues diminished, bolstered by salaries and wages. The top 20 firms generated only 37.5% of operating revenue, a significant decrease from 2001, when they accounted for 49.3%. These firms also accounted for 31.5% of salaries and 38.4% of all operating expenses. Their share of operating profits plummeted from 56.1% in 2001 to 29.3% in 2002.

Available on CANSIM: table 360-0006.

Definitions, data sources and methods: survey number 4715.

Results from the 2002 Annual Survey of Surveying and Mapping Services are now available. Detailed tables at the provincial level for a range of industry

characteristics providing a breakdown of revenues and expenses are also included in the data release package.

To order a free copy of the data release package, or to enquire about the concepts, methods or data quality of this release, contact Michel Savard (613-951-3175; fax: 613-951-6696; michel.savard@statcan.ca), Service Industries Division. ■

Local government enterprises, income and expenses

Fiscal year ended December 31, 2001

Estimates of local government enterprises income and expenses for the year 2001 are now available.

Available on CANSIM: table 385-0015.

Definitions, data sources and methods: survey number 1725.

Data are available through custom and special tabulation. They are presented by province and territory and by industry at the Canada total for the period 1995 to 2001.

For general information on the products and services of the Public Institutions Division, contact Joanne Rice (613-951-0767; joanne.rice@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Guy Ladouceur (613-951-1847; guy.ladouceur@statcan.ca), Public Institutions Division. ■

Community Employment Innovation Project

2001

Data from the implementation phase of the Community Employment Innovation Project (CEIP) are available today. CEIP is a long-term demonstration project taking place in Cape Breton that is designed to measure the effects, on individuals and on communities, of providing community-based employment opportunities to the long-term unemployed. The project is managed by

the Social Research and Demonstration Corporation (SRDC) and conducted jointly with Statistics Canada. It is funded by Human Resources Development Canada.

For more information, contact SRDC (613-237-4311), or Client Services (1-800-461-9050; 613-951-3321; fax: 613-951-4527; ssd@statcan.ca), Special Surveys Division. ■

Steel wire and specified wire products

October 2003

Data on steel wire and specified wire products production are now available for October.

Available on CANSIM: table 303-0010.

Definitions, data sources and methods: survey numbers, including related surveys, 2106, 2116 and 2184.

The October 2003 issue of *Steel wire and specified wire products*, Vol. 58, no. 10 (41-006-XIB, \$6/\$51) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Coal and coke statistics

September 2003

Data on coal and coke are now available for September.

Available on CANSIM: table 303-0016.

Definitions, data sources and methods: survey numbers, including related surveys, 2003 and 2147.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Steel Wire and Specified Wire Products,
October 2003, Vol. 58, no. 10
Catalogue number 41-006-XIB (\$6/\$51).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Film, Video and Audio-visual Distribution: Data Tables,
Catalogue number 87F0010XIE
(free).

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

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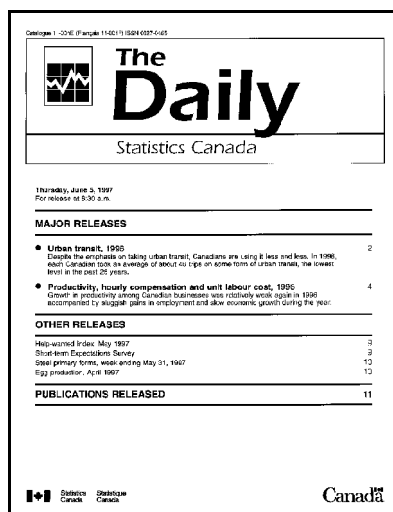
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